

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 24, 2003 LB 540, 759

the...it leaves the property tax levy for schools the same as in the amendment, at \$1.10. Now, I'm one who has voted for LB 540 out of committee. But I will tell you, the levy exclusion in LB 540 means I will probably be paying \$1.06. So if you're comparing \$1.04 to \$1.10, LB 540 probably means, depending on whether your school districts vote for the levy exclusion, and my school district, I believe, will, we could be paying \$1.06. The levy exclusion is not in Senator Brashear's bill. The operative date of this is January 1, 1004 (sic--2004). There's no emergency clause. That would not be viable. I can tell you that when we broaden the sales tax base, it helps the cities, because the cities have a city sales tax. It does not help rural areas. So I'm hoping this will be an offset for that. I will also tell you that none of our bordering states tax personal property, tax ag personal property. We are the only state in this area of the country that taxes farm machinery. I'm talking about combines, tractors, disk plows, planters. And that was put on back in 1992 or 1993, when we had the tax crisis and we had to amend the constitution so we could put ag personal property back on the tax rolls. And to be fair with those of you who are concerned about any benefit the farmer might receive here, at that time we did take sales tax off farm machinery. I can tell you that the property taxes that farmers pay, 7.5 percent of that property tax is personal property tax. But the benefit of exempting personal property is that most absentee landowners, most doctors and lawyers and investors in land who are not farmers don't own much personal property. One of the biggest problems that I think I have with personal property...and I hope you don't think I'm trying to introduce this to benefit me. I think it's good for the ag community. But if you put irrigation equipment on your land, all of a sudden you are not taxed at the dryland rate, you're taxed at the irrigated rate. And then you get to pay personal property taxes on the irrigation equipment for seven years. It's a tough deal. This would be direct help to active farmers, not to those who own land who are not farmers. I can tell you one thing. We have driven the custom combining business out of the state. If you are a person who starts in Texas and starts combining wheat, and you go all the way to Kansas, and you own these machines, most of these people have at least a half a million dollar investment. Some of them, those machines cost \$200,000 apiece.